

# Committee on Resources

## Subcommittee on Forests & Forest Health

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### Statement / Testimony

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#### TESTIMONY OF RON ARNOLD

Before the U. S. House of Representatives, Committee on Resources,

Subcommittee on Forests and Forest Health

February 15, 2000

#### THE FUNDING OF ENVIRONMENTAL INITIATIVES AND THEIR IMPACTS ON LOCAL COMMUNITIES

Madam Chairman, Members of the Committee, my name is Ron Arnold. I am the executive vice president of the Center for the Defense of Free Enterprise, a nonprofit organization based in Bellevue, Washington. The Center does not accept and has never received government funds.

Madam Chairman, I would like to thank you for holding this hearing today. It is timely, indeed. My Center recently completed a book-length study on the funding of environmental initiatives and their impacts on rural communities. The book is titled *Undue Influence: Wealthy Foundations, Grant-Driven Environmental Groups, and Zealous Bureaucrats That Control Your Future*.

In a nutshell, the message of *Undue Influence* is that the environmental movement is a three-cornered structure beginning with tax-exempt foundations which devise multi-million-dollar environmental programs to eliminate resource extraction industries and private property rights. The foundations direct their funds to the second leg of the triangle, environmental groups with insider access to the third leg, executive branch agencies. This powerful "iron triangle" unfairly influences federal policy to devastate local economies and private property.

In the brief time since *Undue Influence* was released last October, so many new outrages have come from the executive branch that they demand separate attention. Therefore, my Center has documented these new developments in a special report, titled "Power To Hurt," which is being released at this hearing. You will find it attached to my written testimony.

If you will turn to page 4 of Power To Hurt, you will see how the first leg of the triangle works. Joshua Reichert, the Pew Charitable Trusts' environmental director, once wrote, "For considerable sums of money, public opinion can be molded, constituents mobilized, issues researched, and public officials button-holed, all in a symphonic arrangement."

Madam Chairman, there is evidence that The Pew Charitable Trusts planned an end-run around Congress and arranged the Clinton administration's new policy to eliminate access to almost 60 million acres of

federal land. They did it by an initiative they called the "Heritage Forest Campaign." Pew grants of more than \$3 million have gone to the second leg of this triangle, the National Audubon Society. Audubon funneled the money to 12 other environmental groups under its supervision. You will find the list on page 5.

Audubon got a letter of support signed by 170 members of the House of Representatives for their access closure program. One wonders how they did that without using tax-subsidized Pew money to lobby Congress.

But that was not enough. Audubon hired the Mellman Group, Inc, the president's own pollster, to produce results saying that the public favored wilderness over jobs. They had to justify destroying thousands of rural jobs for an urban movement's political victory.

Audubon gave those poll results to the third leg of the triangle, the White House chief of staff. Shortly thereafter, President Clinton sent his October 13, 1999 memo to the Secretary of Agriculture calling for permanent roadless status for those 60 million acres of federal land.

Audubon was able to produce this controversial result because its new Director of Public Policy is Dan Beard, who came straight from the Clinton Administration, where he served as head of the Bureau of Reclamation.

Pew is only one of dozens of foundations orchestrating our lives behind the scenes. The Turner Foundation last spring approached a cluster of environmental groups offering a \$5 million grant to create a new group that would enhance their mailing lists by adding legislative districts, voting records, party affiliations and other political data for each name, which would be prohibitively expensive for individual groups to do by themselves. That new group, called the Partnership Project is now compounding its members electioneering power at the ballot box. The facts about the Partnership Project are on Page 6 of Power To Hurt.

If there is any doubt that the foundations are deliberately planning the elimination of resource extraction, one has only to examine an actual grant proposal to a wealthy foundation. Madam Chairman, you will find the full text of the grant application that created the Southwest Forest Alliance beginning on page 15 of Power To Hurt. The disastrous results of the Coalition are spelled out in shameful detail on page 9. Only little operations totally dependent on government timber were destroyed, not the big corporations that own their own private timberlands.

Madam Chairman, in my researches I found that every segment of America's resource extraction economy-- food, clothing and shelter--has been targeted by some coalition funded by wealthy foundations. This is an intolerable program of rural cleansing. Foundations are not accountable to anyone. They are totally unregulated.

Madam Chairman, these are serious charges. The Center urges Congress to investigate the undue influence documented in Power To Hurt.

Thank you again, Madam Chairman, for holding this hearing.

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